BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)		
OF DELMARVA POWER & LIGHT COMPANY)		
FOR AN ANNUAL UPDATE IN THE GAS)	PSC DOCKET N	O. 10-290
ENVIRONMENTAL SURCHARGE RIDER RATE)		
(FILED AUGUST 31, 2010))		

ORDER NO. 7826

AND NOW, this 7th day of September, 2010:

WHEREAS, on August 31, 2010, Delmarva Power & Light Company ("DP&L") filed the above-captioned application (the "Application") with the Delaware Public Service Commission (the "Commission") seeking approval to decrease the rate for its Environmental Surcharge Rider ("ESR") under the process approved in PSC Order No. 6401 (Apr. 20, 2004) in Docket No. 04-53; and

WHEREAS, in its Application, DP&L seeks to decrease its current ESR rate from a positive surcharge of \$0.00206 per ccf to a positive surcharge rate of \$0.00100 per ccf for all firm delivery service customers; and

WHEREAS, the Commission having determined, pursuant to 26 Del. C. §§304 and 306 and its prior Order No. 6401 that the proposed rate adjustment (decreasing the present rate) should be permitted to become effective for gas usage on and after November 1, 2010, with proration, subject to refund, pending further review and final decision by the Commission;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

- 1. That, pursuant to 26 Del. C. §§304 and 306, the decrease in the current ESR rate as set forth in the Application is hereby permitted to go into effect with usage on and after November 1, 2010, with proration and subject to refund pending further review and final decision by the Commission.
- 2. That in light of Staff's audit of the costs for the Environmental Compliance Year ("ECY") that comprise this Application, the Commission shall not assign this docket to a Hearing Examiner to conduct an evidentiary hearing, but, rather, shall conduct an evidentiary hearing on the Application during its regularly-scheduled meeting on Tuesday, October 19, 2010, at 1:00 p.m. at 861 Silver Lake Boulevard, 1st Floor Hearing Room, Cannon Building, Dover, DE 19904. The Commission shall take public comment on the Application immediately prior to the commencement of the evidentiary hearing on October 19, 2010. The Commission designates Hearing Examiner Mark A. Lawrence, pursuant to 26 Del. C. §502 and 29 Del. C. ch. 101, for the purpose of considering any petitions for intervention that may be filed.
- 3. That Delmarva Power & Light Company shall provide public notice of the filing of its Application, of the Commission action here and of the date of the evidentiary hearing by publishing notices in the form attached hereto as Exhibit "A" in the legal classified section of The News Journal newspaper in two-column format, outlined in black, on September 15 and 16, 2010. Proof of such publication is to be provided to the Commission as soon as practical but not later

than the commencement of the evidentiary hearing concerning this matter.

4. That the deadline for intervention pursuant to Commission Rule 21 shall be **September 24, 2010.** Any intervenor wishing to oppose the Application shall file written prefiled testimony with the Commission pursuant to the Commission's rules, on or before **Thursday**, **October 7, 2010.** Copies of such testimony shall also be served on the following persons:

Regina A. Iorii, Esq.	Kent Walker, Esquire			
Deputy Attorney General	Deputy Attorney General			
Public Service Commission	Division of the Public Advocate			
820 N. French Street	820 N. French Street			
6 th Floor	6 th Floor			
Wilmington, DE 19801	Wilmington, DE 19801			
Todd L. Goodman, Esq.	Courtney A. Stewart			
Associate General Counsel	Malika Davis			
Delmarva Power & Light Co.	Delaware Public Service Commission			
800 King Street	861 Silver Lake Blvd., Suite 100			
Wilmington, DE 19801	Dover, DE 19904			
Leonard J. Beck	G. Arthur Padmore, Public Advocate			
Regulatory Affairs Lead	Michael D. Sheehy, Deputy Public			
Delmarva Power & Light Company	Advocate			
401 Eagle Run Road	820 N. French Street			
P.O. Box 9239	4 th Floor			
Newark, DE 19714	Wilmington, DE 19801			

Submissions that are not received by the Commission on or before October 7, 2010 shall not be considered.

5. Delmarva Power & Light Company is hereby put on notice that it will be charged the costs incurred in connection with this proceeding under the provisions of 26 Del. C. §114(b)(1).

6. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:
/s/ Arnetta McRae
CHAII
/s/ Joann T. Conaway
Commissioner
/s/ Jaymes B. Lester Commissioner
/s/ Dallas Winslow
Commissioner
/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

EXHIBIT "A"

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF DELAWARE

)		
)		
)	PSC DOCKET NO	. 10-290
)		
)		
)))))) PSC DOCKET NO))

PUBLIC NOTICE

OF UPDATE TO DELMARVA POWER AND LIGHT COMPANY'S GAS ENVIRONMENTAL SURCHARGE RIDER RATE

TO: ALL NATURAL GAS CUSTOMERS OF DELMARVA POWER & LIGHT COMPANY, AND OTHER INTERESTED PERSONS

The Delaware Public Service Commission (the "Commission") will conduct a public comment session and evidentiary hearing concerning the above-captioned case (as further explained below) at the following time and location:

Date & Time Location

Tuesday, October 19, 2010 1:00 p.m. Hearing Room
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building
Dover, DE 19904

DP&L's Environmental Surcharge Rider Rate, PSC Docket No. 10-290_

Pursuant to the environmental remediation recovery mechanism approved in PSC Order No. 6401 (Apr. 20, 2004) in Docket No. 04-53, Delmarva Power & Light Company ("DP&L" or the "Company"), has filed an application (the "Application") with the Commission proposing a decrease in the Environmental Surcharge Rider ("ESR"), with the decreased rate to become effective with usage on and after November 1,

2010, with proration, subject to modification and refund after an evidentiary hearing.

In the Application, the Company requests permission to decrease its current ESR rate from a positive surcharge of \$0.00206 per ccf to a positive surcharge rate of \$0.00100 per ccf for all firm delivery service customers. For a typical residential space heating customer using 120 ccf of gas in a winter month, the effect of the proposed ESR rate change will be a decrease in the monthly winter bill of approximately 13 cents (less than 0.1%). By Order No. 7826 dated September 7, 2010, the Commission permitted the proposed rates to become effective with usage on and after November 1, 2010, with proration, subject to modification and refund after an evidentiary hearing.

Any person, group, or entity desiring to participate formally as a party in this docket, with the right to submit evidence and to be represented by counsel, must petition the Commission for leave to intervene in this docket in accordance with Rule 21 of the Commission's Rules of Practice and Procedure. Such petitions must be filed with the Commission at 861 Silver Lake Boulevard, Cannon Building, Suite 100, Dover, Delaware 19904 (Attn: PSC Dkt. No. 10-290) on or before September 24, 2010. Petitions received thereafter will not be considered except for good cause shown. Should intervention status be granted, any intervenor wishing to oppose the Application shall file written prefiled testimony with the Commission on or before October 7, 2010. Submissions that are not received by the Commission on or before October 7, 2010 shall not be considered. Such written

submissions shall also be served on the persons identified in Order No. 7826 in this docket dated September 7, 2010.

The Commission will conduct an evidentiary hearing on the Company's Application on Tuesday, October 19, 2010, commencing at 1:00 p.m., at its offices located at 861 Silver Lake Boulevard, Cannon Building, 1st floor Hearing Room, Dover, Delaware 19904. The Commission will take public comment from any person wishing to speak immediately prior to the commencement of the evidentiary hearing concerning this Application. The Commission's final decision will be based on the evidence presented at such hearing.

Copies of the Company's Application and its testimony and schedules in this docket are available for public inspection during normal business hours at the Commission's Dover office at the address set out above. Such materials can also be reviewed by appointment at the offices of the Division of the Public Advocate, Fourth Floor, Carvel State Office Building, 820 North French Street, Wilmington, Delaware. Please call (302) 577-5077 to arrange for an appointment.

Any individual with a disability desiring to participate in these proceedings or to review the filings should contact the Commission to discuss any auxiliary aids or services needed. The Commission Staff can also provide additional information about this docket. The Commission's toll-free telephone number within Delaware is 1-800-282-8574. The Commission may be reached at (302) 736-7500 (including text telephone communications). Inquiries may be sent to the Commission by Internet e-mail addressed to "courtney.stewart@state.de.us."